



Press Release – Paris, October 25, 2018

Danone accelerates the transition towards a circular economy of packaging

- **100% of packaging recyclable, reusable or compostable by 2025**
- **New initiatives to ensure Danone packaging is recycled, reused or composted in practice**
- **Development of alternative delivery and reuse models**
- **Increased recycled plastic content**
- **Collaboration through new alliances to address root causes of plastic waste and pollution**

Danone announces a series of new commitments and actions to ensure its packaging will become 100% circular, and to accelerate the global transition towards a circular economy of packaging. This includes (1) initiatives to improve product design and develop alternative delivery and reuse models, (2) investments to develop effective, efficient and inclusive systems for increased collection and recycling, to boost recycling and (3) actions to preserve natural resources by reintegrating recycled materials into our packaging and developing use of renewable materials.

Emmanuel Faber, Chairman and CEO of Danone said: *“We believe the time is now to step up and accelerate, embrace our responsibility and work with others to engage a radical shift that will help free the world from packaging waste. We will be acting both at global and local level to ensure circularity of packaging becomes the new norm. Today, we are announcing a series of investments and commitments that – I believe – will have a concrete impact. These will be amplified as we collaborate with industry-peers, governments, NGOs, start-ups and the finance sector; harness new technologies and invest in new solutions.”*

Danone will accelerate transition towards circular economy of packaging in three ways:

1. Packaging designed for circularity

Danone commits to ensure that **all its packaging** is designed to be **100% recyclable, reusable or compostable by 2025**. Moreover, the company will **develop alternative delivery models or new reuse models where relevant**, and **take action to eliminate problematic or unnecessary plastic packaging**.

Already 86% of our packaging is recyclable, reusable or compostable¹, and 50% of our water volumes are sold in reusable jugs. At evian®, where our bottles are already 100% recyclable, we have also piloted an innovation to eliminate non-recyclable shrink film for multipacks using specially designed adhesive and tape handles.

At the same time, we acknowledge we can, and should, do more. As part of our efforts, we will launch alternatives to plastic packaging or single-use packaging in all our major water markets by 2025; and we are assessing alternatives to plastic straws through a pilot program to be launched in 2019, by our AQUA brand in Indonesia.

2. Reused, recycled and composted in practice

Danone recognizes that design won't be enough to make its packaging fully circular. Effective collection and recycling systems are essential to ensuring packaging is recycled, reused or composted in practice.

To achieve this, we will actively help to meet, or go beyond, the collection targets set by regulators, such as the **minimum 90% collection target for beverage bottles** expected to be set **in the EU for 2025**. To do this, we will support the most effective publicly organized collection and recycling systems, including Extended Producer Responsibility and Deposit Return Scheme systems, when relevant.

We will also invest in private initiatives that strengthen circular infrastructure, especially in countries where formal systems are absent or in development, or where there is a high risk of leakage into the environment. **By 2025, Danone will have initiated or supported collection and recycling initiatives in every one of our top 20 markets** (representing around 90% of sales).

Our AQUA brand has pledged to recover more plastic than it uses in Indonesia, including through interception of marine littering. We have already invested \$5.25 million USD in the Closed Loop Fund, a voluntary private initiative that develops large scale recycling infrastructure and sustainable manufacturing technologies in the United States. We are looking to invest in similar initiatives, for instance through Circulate Capital in South East Asia.

From Argentina to Mexico, Ghana to Indonesia, we already act to develop collection and recycling infrastructure by supporting waste pickers to establish a network of recycling business units that keep plastic in the economy and out of the environment.

3. Preservation of natural resources

Transitioning to a circular economy means seeking to no longer use packaging from finite resources. This helps preserve natural resources and keep existing packaging materials in use and out of nature.

Using recycled content is a key component of this. Today, we use 14% of **recycled PET** on average in our water and other beverage bottles²; **by 2025, we will increase** this amount **to 50%**. Our evian® brand already contains 30% recycled plastic (rPET) on average, and intends to reach 100% by 2025. We recently launched our first 100% recycled PET bottle with the Lanjaron Red natural mineral water brand in Spain. We will launch additional 100% recycled PET bottles, reaching all major water markets by 2021.

¹ According to Ellen MacArthur Foundation definitions / Total packaging put on the market, based on sales volumes.

² In countries where allowed (exception of Turkey and China)

In parallel, we will develop the use of renewable, bio-based materials. We have a joint project with Nestle, PepsiCo and Origin Materials to bring the **first 75% bio-based bottle to commercial scale by 2021**, aiming to launch 100% bio-based bottles by 2025.

New alliances to address the root causes of plastic waste and pollution

Collaboration is the cornerstone of success when it comes to circular economy. That is why we intend to keep driving collaboration both at global and local level.

As part of this effort, we will join others making a global commitment, led by the Ellen MacArthur Foundation, in collaboration with UN Environment Program, other businesses, NGOs and governments, to address plastic waste and pollution. Details will be announced at the *Our Ocean Conference* in Bali later this month.

Dame Ellen MacArthur, founder of the Ellen MacArthur Foundation, declared: *“By looking at the whole system, from product design to developing new reuse models and collaborating with others, these commitments set Danone up to take important steps towards circularity. Commitments like those announced today can help drive the global momentum needed to create a circular economy for plastics that stops them from becoming waste and pollution. Now is the time to make it happen.”*

Danone Packaging Policy is available via:

https://www.danone.com/content/dam/danone-corp/about-us-impact/policies-and-commitments/en/2018/Danone_Packaging_Policy.pdf

About Danone (www.danone.com)

Dedicated to bringing health through food to as many people as possible, Danone is a leading global food & beverage company built on four businesses: Essential Dairy and Plant-Based Products, Waters, Early Life Nutrition and Advanced Medical Nutrition. Danone aims to inspire healthier and more sustainable eating and drinking practices, in line with its vision -*Danone, One Planet. One Health*- which reflects a strong belief that the health of people and the health of the planet are interconnected. Building on health-focused categories, Danone commits to operating in an efficient and responsible manner to create and share sustainable value. Danone holds itself to the highest standards in doing business, as reflected by its ambition to become one of the first multinationals certified as B Corp. With products sold in over 120 markets, Danone generated sales of €24.7 billion in 2017. Danone's portfolio includes leading international brands (Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic, among others) as well as strong local and regional brands (including AQUA, Blédina, Bonafont, Cow & Gate, Horizon, Mizone, Oikos, Prostokvashino, Silk, Vega).

Listed on Euronext Paris and on the OTCQX market via an ADR (American Depositary Receipt) program, Danone is a component stock of leading social responsibility indexes including the Dow Jones Sustainability Indexes, Vigeo Eiris, the Ethibel Sustainability Index, MSCI Global Sustainability, MSCI Global SRI Indexes and the FTSE4Good Index.

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